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FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC IMMEDIATE 9168

INFO RUCNCIS/CIS COLLECTIVE PRIORITY

RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY

RUCNOSC/OSCE POST COLLECTIVE PRIORITY

RUEHAK/AMEMBASSY ANKARA PRIORITY 2647

RUEHBJ/AMEMBASSY BEIJING PRIORITY 0474

RUEHLM/AMEMBASSY COLOMBO PRIORITY 0509

RUEHKA/AMEMBASSY DHAKA PRIORITY 0531

RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2219

RUEHKT/AMEMBASSY KATHMANDU PRIORITY 0261

RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1016

RUEHKO/AMEMBASSY TOKYO PRIORITY 0340

RHMFIS/CDR USCENTCOM MACDILL AFB FL PRIORITY

RUEAIIA/CIA WASHDC PRIORITY

RHEFDIA/DIA WASHDC PRIORITY

RUEHC/DEPT OF AGRICULTURE WASHINGTON DC PRIORITY

RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

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RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

RHEHNSC/NSC WASHDC PRIORITY

RUEKJCS/JOINT STAFF WASHDC PRIORITY

RUEKJCS/SECDEF WASHDC PRIORITY

RUEHBS/USEU BRUSSELS PRIORITY

RUEHGV/USMISSION GENEVA PRIORITY 1294

RUEHVEN/USMISSION USOSCE PRIORITY 1749

RUCNDT/USMISSION USUN NEW YORK PRIORITY 0521

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000826

SIPDIS

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STATE FOR SCA/CEN, DRL

PLEASE PASS TO TDA DAN STEIN

E.O. 12958: DECL: 08/10/2017

TAGS: PGOV PREL EINV EPET AJ KZ TX

SUBJECT: TURKMENISTAN AND CASPIAN CONNECTOR: "DON'T MENTION US NOW, BUT THE DOOR IS OPEN"

REF: ASHGABAT 0810

Classified By: CDA Richard E. Hoagland for reasons 1.4 (B) and (D)

¶11. (C) SUMMARY: Turkmenistan does not want to be mentioned in the Terms of Reference for the TDA-funded Caspian feasibility study for transporting hydrocarbons from Kazakhstan to Azerbaijan, but insists the door remains open for experts to study the connector idea. Timing may be an issue because of current work to prepare documents for the Caspian Littoral Pipeline. Also, Turkmenistan may feel uncomfortable going public about the possibility of a Turkmenistan-Azerbaijan connector because the two countries have not yet achieved a Caspian Sea delimitation mutual agreement. END SUMMARY.

¶12. (C) Deputy Chairman of the Cabinet of Ministers/Foreign Minister Rashit Meredov called in the Charge at COB on August 9 to respond to the question TDA Europe and Eurasia Director Dan Stein had posed at their meeting on August 6 (reftel). The question was whether Turkmenistan would object to being mentioned in one sentence only in the Terms of Reference for the TDA-financed feasibility study on transporting hydrocarbons from Kazakhstan to Azerbaijan. The one non-specific sentence on Turkmenistan would have opened the door for this feasibility study to look at connector possibilities between Turkmenistan's Bloc One and existing SOCAR infrastructure.

NOT NOW, BUT...

¶3. (C) In his one-on-one with Charge, FM Meredov praised Stein for their August 6 meeting. "The meeting was very constructive for us and made a very good impression. It will further our cooperation, especially on gas and oil. This will continue and grow." (NOTE: In that meeting, Stein and Charge had emphasized that the U.S. side, in the spirit of cooperation and transparency, did not want to take any steps without Turkmenistan's concurrence. END NOTE.) Meredov added, "We sincerely thank you for your respect and openness."

¶4. (C) Meredov said the government, meaning cabinet of ministers and the president, had studied the Terms of Reference closely, including the suggested sentence about Turkmenistan, and concluded it is too early to go public with something like this.

...THE DOOR IS OPEN

¶5. (C) Meredov hastened to add, "The possibility of a connector is not closed." He called for further study by U.S. and Turkmenistani experts, and asked specifically that the United States send technical experts for this purpose. He emphasized, "The door is open."

#### DELIMITATION

¶6. (C) Appearing to add an afterthought, Meredov said Turkmenistan also would welcome consultations with U.S. experts on how to achieve Caspian delimitation with Azerbaijan. (NOTE: In the renewed Turkmenistan-Azerbaijan relationship, these talks are already underway, with the next

ASHGABAT 00000826 002 OF 002

session scheduled for September. Contacts among foreign hydrocarbon firms active in Turkmenistan have told us that, during the latest round, the Azeris greatly decreased their territorial claims in hopes of promoting a solution where they could benefit from being an export route for Turkmenistan's hydrocarbons. END NOTE.)

¶7. (C) COMMENT: It seems clear the timing of our request, not the concept of a connector, was the problem for Turkmenistan. President Berdimuhamedov sent every one of his senior gas and oil ministers, directors, and other experts to Kazakhstan August 6-9 to negotiate the documents for the Caspian Littoral Pipeline and Central Asia Three Pipeline agreements reached in principle among Russia, Kazakhstan, and Turkmenistan, with Uzbekistan's consent) at their Tripartite Summit in May. We speculate that Berdimuhamedov and his government do not want to go public about concrete steps to achieve an export route to the West via the Caspian until they are more certain the tripartite agreement is nailed down. That said, Meredov went out of his way to emphasize that the door remains open to study further the technical details of a possible connector.

¶8. (C) COMMENT CONTINUED: We also note Meredov's near after-thought suggestion that Turkmenistan would welcome U.S. expert assistance to achieve Turkmenistan-Azerbaijan Caspian Sea delimitation. It could be, even though Azerbaijan agreed to the possible reference to Turkmenistan in the Terms of Reference, Turkmenistan is uncomfortable joining such a feasibility study without the legal basis of delimitation nailed down, or at least fairly clearly in sight. END COMMENT.

HOAGLAND